

TECHNOLOGY FOR EDUCATIONAL ACHIEVEMENT IN WISCONSIN BOARD

Budget Summary							
Fund	2000-01 Base Year Doubled	2001-03 Governor	2001-03 Jt. Finance	2001-03 Legislature	2001-03 Act 16	Act 16 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$85,248,200	\$89,256,200	\$86,370,800	\$86,370,800	\$86,370,800	\$1,122,600	1.3%
FED	528,000	2,028,000	688,000	7,928,000	7,928,000	7,400,000	1401.5
PR	10,995,600	5,695,500	14,746,100	7,128,400	7,128,400	- 3,867,200	- 35.2
SEG	<u>20,537,200</u>	<u>27,397,100</u>	<u>29,523,100</u>	<u>29,873,100</u>	<u>29,873,100</u>	<u>9,335,900</u>	45.5
TOTAL	\$117,309,000	\$124,376,800	\$131,328,000	\$131,300,300	\$131,300,300	\$13,991,300	11.9%

FTE Position Summary						
Fund	2000-01 Base	2002-03 Governor	2002-03 Jt. Finance	2002-03 Legislature	2002-03 Act 16	Act 16 Change Over 2000-01 Base
GPR	6.00	5.00	5.00	5.00	5.00	- 1.00
FED	0.00	0.00	1.00	1.00	1.00	1.00
PR	2.00	2.00	4.00	2.00	2.00	0.00
TOTAL	8.00	7.00	10.00	8.00	8.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

Governor/Legislature: Adjust the base budget by -\$4,000 GPR and \$344,800 SEG in 2001-02 and -\$27,400 GPR and \$344,800 SEG in 2002-03 for: (a) removal of noncontinuing elements from base (-\$23,400 GPR and -1.0 GPR position in 2002-03); (b) full funding of salaries and fringe benefits (-\$5,900 GPR annually); (c) BadgerNet increases (\$344,800 SEG annually); and (d) fifth week of vacation as cash (\$1,900 GPR annually).

Funding Positions		
GPR	- \$31,400	- 1.00
SEG	<u>689,600</u>	<u>0.00</u>
Total	\$658,200	- 1.00

2. BASE BUDGET REDUCTIONS [LFB Paper 245]

GPR	- \$70,200
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Governor/Legislature: Reduce the TEACH state operations appropriation by \$35,100 in each year. The total reduction amount was derived by making a reduction of 5% to the adjusted base of \$702,200 for this appropriation.

3. DEBT SERVICE REESTIMATE [LFB Paper 266]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$4,109,600	- \$2,885,400	\$1,224,200
PR	<u>- 5,797,300</u>	<u>0</u>	<u>- 5,797,300</u>
Total	- \$1,687,700	- \$2,885,400	- \$4,573,100

Governor: Reestimate debt service costs by \$53,000 GPR in 2001-02 and \$403,800 GPR in 2002-03 and -\$609,300 PR annually for public library boards from a base level of \$206,800 GPR and \$633,100 PR. Reestimate debt service costs by \$948,000 GPR in 2001-02 and \$2,704,800 GPR in 2002-03 and -\$2,291,100 PR in 2001-02 and -\$2,287,600 PR in 2002-03 for school districts from a base level of \$2,715,100 GPR and \$4,709,400 PR.

Joint Finance/Legislature: Reestimate debt service by -\$916,100 GPR in 2001-02 and -\$1,381,900 GPR in 2002-03 for school districts and by -\$226,400 GPR in 2001-02 and -\$361,000 GPR in 2002-03 for public library boards.

4. EDUCATIONAL TELECOMMUNICATIONS ACCESS

SEG	\$5,435,800
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Governor/Legislature: Provide \$2,592,900 in 2001-02 and \$2,842,900 in 2002-03 for the current educational telecommunications access program, which provides eligible entities with subsidized access to new data lines and video links or grants for data lines and video links for service contracts in effect on October 14, 1997. The program is funded from the universal service fund (USF) that receives its revenues through assessments on annual gross operating receipts from intrastate telecommunications providers, which they are allowed to fully recover through an adjustment applied to subscribers' local exchange service rates.

This funding would be utilized for the following purposes:

a. *School Districts and CESAs.* \$941,300 in 2001-02 and \$161,700 in 2002-03 above base level funding of \$7,195,700 for the estimated additional costs of providing telecommunications access to school districts and CESAs.

b. *Private Colleges, Technical Colleges, and Libraries.* \$1,762,200 in 2001-02 and \$2,454,200 in 2002-03 above base level funding of \$2,014,600 for the estimated additional costs of providing telecommunications access to private colleges, technical colleges, and libraries.

c. *Private K-12 Schools.* -\$120,300 in 2001-02 and \$212,200 in 2002-03 above base level funding of \$1,003,100 for funding additional estimated costs of providing telecommunications access to private K-12 schools.

d. *State residential schools.* \$9,700 in 2001-02 and \$14,800 in 2002-03 above base level funding of \$55,200 for funding additional estimated costs of providing telecommunications access to state residential schools.

5. GRANTS FOR PUPIL TECHNOLOGY SUPPORT [LFB Paper 871]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
FED	\$1,000,000	- \$1,000,000	\$0

Governor: Provide \$500,000 annually from federal E-rate monies. Require the TEACH Board to award grants to school districts to train pupils to provide educational technology support services to the school districts in which they are enrolled. Specify that the TEACH Board could award no more than \$500,000 in grants in each fiscal year. Require TEACH to award grants in consultation with the Board of Regents of the UW System and the Wisconsin Technical College System Board.

Joint Finance/Legislature: Delete provision.

6. ALTERNATIVE TECHNOLOGY STUDY [LFB Paper 871]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
FED	\$500,000	- \$500,000	\$0
SEG	250,000	- 250,000	0
Total	\$750,000	- \$750,000	\$0

Governor: Provide \$500,000 FED from federal e-rate monies and \$250,000 SEG from the universal service fund in 2001-02. Require the TEACH Board to conduct a study of emerging technology products, services, and applications for distance learning in primary and secondary schools. Specify that the TEACH Board would have to conduct approximately six pilot projects and could expend up to \$500,000 FED and \$250,000 SEG for the study. Authorize the use of monies from the universal service fund for this purpose. Require the TEACH Board to report the findings of its study to the Governor and to the Legislature by January 31, 2003.

Joint Finance/Legislature: Delete provision.

7. E-RATE MONIES [LFB Paper 871]

	Jt. Finance (Chg. to Base)		Legislature (Chg. to JFC)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR-Lapse	\$7,240,000		\$7,240,000		\$7,240,000	
FED	\$160,000	1.00	\$7,240,000	0.00	\$7,400,000	1.00
PR	<u>7,240,000</u>	<u>0.00</u>	<u>- 7,240,000</u>	<u>0.00</u>	<u>0</u>	<u>0.00</u>
Total	\$7,400,000	1.00	\$0	0.00	\$7,400,000	1.00

Joint Finance: Provide \$4,040,000 PR in 2001-02 and \$3,200,000 PR in 2002-03 in a new, continuing PR appropriation under TEACH designated for the receipt of E-rate monies received by the TEACH Board. Specify that \$840,000 from the available balance of E-rate monies in a TEACH FED appropriation would be transferred to this appropriation. Specify that any monies expended from this PR appropriation would be for TEACH block grants and would offset GPR expenditures for this program, so that an estimated GPR lapse of \$4,040,000 in 2001-02 and \$3,200,000 in 2002-03 would occur. Provide \$80,000 FED and 1.0 FED position annually to provide staff for TEACH E-rate related activities.

Legislature: Specify that appropriation for this purpose is FED rather than PR, so that \$4,040,000 in 2001-02 and \$3,200,000 in 2002-03 would be considered FED and not PR funding.

[Act 16 Sections: 567, 571m, 571r and 9249(1f)]

8. DISSOLUTION OF WATF

GPR-Lapse \$8,826,700

Senate/Assembly/Legislature: Increase estimated GPR-lapses in 2001-02 by \$8,826,700 to reflect the dissolution of the Wisconsin Advanced Telecommunications Foundation (WATF). Under the provisions of Act 16, these unallocated WATF proceeds would be used for TEACH block grants and would offset GPR expenditures for this purpose.

9. WATF EXISTING GRANTS [LFB Paper 146]

	Governor (Chg. to Base)	Legislature (Chg. to Gov)	Net Change
PR	\$566,200	- \$67,100	\$499,100

Governor: Provide \$566,200 in 2001-02 to meet the existing grant commitments of the Wisconsin Advanced Telecommunications Foundation. Funding for this item will come from the dissolution of the Foundation's endowment fund. This funding would be provided in a new PR appropriation allowing the expenditure of funds received from other state agencies.

Assembly/Legislature: Reduce the amount provided for the closeout of existing contracts of WATF from \$566,200 to \$499,100 to reflect a reestimate of the funding required for this purpose. Under the provisions of Act 16, the \$67,100 of unallocated WATF proceeds attributable to reduced funding for the closeout of existing contracts would be used for TEACH block grants and would offset GPR expenditures for this purpose.

[Act 16 Sections: 570 and 9101(10)]

10. DELETE CURRENT WATF POSITIONS [LFB Paper 147]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Legislature (Chg. to JFC)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
PR	-\$310,600	- 2.00	\$310,600	2.00	-\$310,600	- 2.00	-\$310,600	- 2.00

Governor: Delete \$155,300 and 2.0 positions annually to reflect the dissolution of the Wisconsin Advanced Telecommunications Foundation and the dispersal of its accrued endowment fund to the state. Eliminate statutory authority for the TEACH Board to provide administrative services to the Foundation.

Joint Finance: Delete provision, which would restore the positions and funding.

Assembly/Legislature: Delete \$155,300 annually and 2.0 positions provided under the Joint Finance version related to TEACH administrative services to WATF, which has since dissolved.

[Act 16 Sections: 567m and 1420m]

11. WATF EXISTING GRANT ADMINISTRATION

	Funding Positions	
PR	\$136,200	1.00

Governor: Provide \$68,100 and 1.0 position annually to continue administration of existing Wisconsin Advanced Telecommunications Foundation grants and to perform other duties as determined by the Secretary of the TEACH Board. Funding for this item would come from the dissolution of the foundation's endowment fund. This funding would be provided in a new PR appropriation allowing the expenditure of funds received from other state agencies.

Joint Finance/Legislature: Include the Governor's provision, and clarify that the TEACH Board would have authority to administer, modify or rescind any WATF grant or award to the extent allowed for under the contract for making the grant or award.

[Act 16 Sections: 570, 1420m and 9101(10)]

12. WATF ADDITIONAL PROCEEDS

Joint Finance/Legislature: Create a PR appropriation for the receipt of any additional proceeds if the WATF dissolves that would not already be allocated under the bill or by the WATF upon dissolution. Specify that any monies expended from this appropriation would be for TEACH block grants and would offset GPR expenditures for this purpose. If additional proceeds would accrue to this PR appropriation, a corresponding GPR lapse would occur.

[Act 16 Section: 567 and 569o]

13. GOVERNOR'S WISCONSIN EDUCATIONAL TECHNOLOGY CONFERENCE

	Funding	Position
PR	\$105,400	1.00

Governor: Provide \$52,700 and 1.0 position annually to organize the annual Governor's Wisconsin Educational Technology Conference. A corresponding reduction in funding and authorized positions is made to the Educational Communications Board.

Senate: Transfer from TEACH to DPI \$52,700 annually and 1.0 position to organize the educational technology conference and perform other duties as assigned in the Division for Libraries, Technology and Community Learning within DPI.

Assembly/Legislature: Include the Governor's recommendation.

14. TEACH ELIGIBILITY FOR SECURED CORRECTIONAL FACILITIES [LFB Paper 872]

SEG	\$484,500
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Governor: Provide \$251,100 in 2001-02 and \$233,400 in 2002-03 to fund telecommunications access services from the TEACH Board for three secured correctional facilities. Specify that the secured correctional facilities would be the Southern Oaks Girls School, the Ethan Allen School and the Lincoln Hills School. Provide that these facilities would also be eligible to apply for educational technology training and technical assistance grants as members of consortia. Require the Secretary of Corrections submit a written request to TEACH in order for those facilities to be eligible for educational technology block grants. Limit the amount the Department of Corrections (DOC) would receive in block grants for each facility to \$5,000 annually, and allow DOC to allocate the funds received through this program among the eligible facilities as it deems appropriate, although the monies would have to be deposited in a separate fund. Create an appropriation to fund subsidized telecommunications access for those facilities. Require TEACH to promulgate rules to ensure that secured correctional facilities that receive access to data lines and video links use them only for educational purposes. Require the DOC to submit a report to DOA by June 30, 2002, that specifies any cost savings by the DOC due to secured correctional facilities' receipt of grants or subsidies from TEACH.

Under current law, CESAs and consortia of school districts, CESAs, and public library boards are eligible to receive training and technical assistance grants. School districts are eligible to receive block grants, and school districts, private schools, CESAs, technical colleges, private colleges, public library systems and boards and the state residential schools are eligible to receive telecommunications access funding.

Joint Finance/Legislature: Modify the Governor's recommendation to make the Youth Leadership Training Center eligible for the same programs. Provide that DOC would not be eligible for assistance under the educational telecommunications access program unless the DOC blocks access to material on the Internet that is harmful to minors. Specify that "harmful to minors" would be defined as that quality of any description, narrative account, or representation, in whatever form, of nudity, sexually explicit conduct, sexual enticement, sadomasochistic abuse, physical torture, or brutality, that does all of the following: (1) predominantly appeals to the prurient, shameful, or morbid interest of children; (2) is patently offensive to prevailing standards in the adult community as a whole with respect to what is suitable for children; and (3) lacks serious literary, artistic, political, scientific, or educational value for children, when taken as a whole.

[Act 16 Sections: 370, 566, 567, 576, 1416, 1418, 1422, 1424 thru 1426, 1435, 1436 and 9111(2)]

15. TEACH ELIGIBILITY FOR CHARTER SCHOOL SPONSORS [LFB Paper 873]

Governor: Extend eligibility for TEACH programs to charter school sponsors, as follows:

a. *Educational technology block grants.* Require TEACH to calculate block grants for charter school sponsors by dividing the statewide average equalized valuation per member by the Milwaukee Public Schools' equalized valuation per member and multiplying the result by the number of pupils attending the charter school on the third Friday of September. Specify that a charter school sponsor could use these monies for any purpose related to educational technology that benefits pupils attending the charter school, except to pay salary or benefits of any charter school employee;

b. *Infrastructure financial assistance.* Require TEACH to include a condition requiring charter school sponsors to use any financial assistance under the program for wiring upgrading and installation that benefits pupils attending the charter school;

c. *Telecommunications access.* Require TEACH in establishing eligibility requirements to require that charter school sponsors use data lines or video links under the program to benefit pupils attending the charter school;

d. *Training and technical assistance grants.* Include charter school sponsors as eligible participants in consortia that apply for grants.

Under current law, the City of Milwaukee, UW-Milwaukee, and Milwaukee Area Technical College District Board are the only entities that would qualify as charter school sponsors.

Joint Finance/Legislature: Modify the Governor's recommendation to calculate block grants for charter school sponsors in proportion to their membership, rather than to weighted membership, which is used for school districts under the program.

[Act 16 Sections: 565, 567, 568, 1415, 1416, 1422, 1424, 1425, 1426, 1428b, 1430b, 1431 and 1435]

16. PUBLIC LIBRARY BOARDS FINANCIAL ASSISTANCE FOR COMMUNICATIONS HARDWARE [LFB Paper 870]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
BR	\$0	- \$7,000,000	- \$7,000,000

Governor: Authorize the TEACH Board to grant infrastructure financial assistance to public library boards for the purchase of communications hardware, 50% of which would be in the form of a loan and 50% of which would be in the form of a grant. Specify that any financial assistance could only be used to purchase communications servers, routers, hubs or switches that enable a computer network in a library building to be directly connected to the Internet, and could not be used to purchase personal computers. Require the Board to establish, on a per building basis, the maximum amount of financial assistance available under this provision. Require that loan terms under this provision could not exceed four years. Authorize \$5,000,000 of general obligation bonding for this purpose.

Reduce the current general obligation bonding authorized for public library wiring loans from \$10,000,000 to \$5,000,000.

Require public library boards receiving infrastructure assistance for communications hardware to apply for a federal E-rate discount for any hardware purchased with the assistance.

Joint Finance/Legislature: Delete the Governor's recommendation. Instead, reduce general obligation bonding authorized for wiring loans for public libraries from \$10 million to \$3 million.

[Act 16 Section: 975]

17. PUBLIC LIBRARY BOARDS TELECOMMUNICATIONS ACCESS

Governor/Legislature: Allow public library boards that operate more than one library facility to request access to both a data line and a video link and access to more than one data line or video link under the telecommunications access program.

[Act 16 Section: 1434]

18. PUBLIC LIBRARY BOARDS TELECOMMUNICATIONS ACCESS SHARED SERVICE AGREEMENTS

Governor/Legislature: Authorize a public library board that is provided access to a data line under the telecommunications access program to enter into a shared service agreement with a political subdivision, defined as a city, village, town, or county, that provides the political subdivision with access to any excess bandwidth on the data line that is not used by the library board. Prohibit a library board from selling, reselling, or transferring in consideration for money or anything of value to a political subdivision access to any excess bandwidth. Specify that such an agreement would not be valid unless the library board could cancel the agreement at any time after providing notice to the political subdivision.

Prohibit educational agencies that receive access to data lines from providing access to the data line to any business entity and from requesting access to an additional data line for purposes of providing access to bandwidth to a political subdivision under a shared service agreement.

Prohibit a political subdivision that obtains access to bandwidth under a shared service agreement with a library board from receiving compensation for providing any other person with access to the bandwidth.

Require a library board within 30 days of entering into or modifying a shared service agreement with a political subdivision to provide the TEACH Board with written notice.

Prohibit monies in the universal service fund from being used to pay installation costs for a political subdivision to obtain access to bandwidth under a shared service agreement with a library board.

[Act 16 Sections: 1417, 1437, 1438 and 2982]

19. AMERITECH SETTLEMENT [LFB Paper 874]

Joint Finance/Legislature: Require the TEACH Board to award grants to public libraries that did not have access to high-speed Internet data lines as of May 1, 2001, in consultation with the Department of Public Instruction (DPI). Specify that the grants could be used for infrastructure, wiring, communications hardware,

GPR-Lapse	\$1,500,000
PR	\$1,500,000

computer and access costs associated with the installation and use of high-speed Internet data lines in libraries. Specify that the first \$500,000 received would be deposited in a new PR annual appropriation under TEACH with no monies in the schedule for the proposed library grant program. Require DPI to expend \$100,000 FED between May 1, 2001 and June 30, 2002, for this grant program. Provide \$1,500,000 PR in 2001-02 in a new continuing PR appropriation under TEACH designated for the receipt of all Ameritech settlement monies in excess of \$500,000. Specify that any monies expended from this PR appropriation would be for TEACH block grants and would offset GPR expenditures for this purpose, so that an estimated GPR lapse of \$1,500,000 would occur in 2001-02.

[Act 16 Sections: 567, 569g, 569m, 9140(6mk) and 9149(3mk)]

20. EXISTING CONTRACT GRANTS -- MORE THAN ONE HIGH SCHOOL

SEG	\$276,000
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Joint Finance/Legislature: Provide \$138,000 SEG annually to the school district telecommunications access appropriation from the universal service fund and modify current law governing the existing contract grants portion of the educational telecommunications access program. Allow the TEACH Board to award annual grants for each high school to school districts that operate more than one high school and that had in effect on October 14, 1997, contracts for access to more than one data line or video link involving those additional high schools. Delete \$46,000 GPR in 2001-02 from general school aids to adjust two-thirds funding of partial school revenues. The fiscal effect of this reduction to general school aids is reflected in the summary item for general school aids under "Public Instruction -- General School Aids."

[Act 16 Section: 1440c]

21. EXISTING CONTRACT GRANTS -- EXTEND SUNSET DATE

SEG	\$2,100,000
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Joint Finance/Legislature: Extend the sunset date on current law directing the TEACH Board to provide grants to school districts and private schools for data lines and video links in existence on October 14, 1997, from June 30, 2002 to December 31, 2005. Provide \$2,000,000 SEG for school districts and \$100,000 SEG for private schools for telecommunications access in 2002-03 from the segregated universal service fund. Delete \$666,700 GPR in 2002-03 from general school aids to adjust two-thirds funding of partial school revenues. The fiscal effect of this reduction to general school aids is reflected in the summary item for general school aids under "Public Instruction -- General School Aids."

[Act 16 Sections: 572, 574 and 1440b]

22. PEGASUS PARTNERSHIP

SEG	\$350,000
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Senate: Require the TEACH Board to allocate \$175,000 GPR annually as a first draw from the educational technology training and technical assistance grant program to the Racine Unified School District to participate in the Pegasus Partnership, which would provide training to teachers and pupils in computers, use of the Internet, Web design, computer animation, graphic design and video skills.

Conference Committee/Legislature: Modify the Senate provision to provide \$175,000 SEG annually under the telecommunications access program, funded through the universal service fund rather than allocate training grant monies.

[Act 16 Sections: 571t, 1426m and 2983m]

23. TEACH FUNDS FOR PRIVATE SCHOOLS

Assembly: Allow private schools to access TEACH funding and provide retroactive payments for those schools that were denied funding due to a lawsuit. Provide \$138,000 in 2001-02 for this purpose under the telecommunications access program, funded through the universal service fund, and require TEACH to distribute these funds by June 30, 2002. Specify that private schools receiving telecommunications access funding could use the funds only for educational technology purposes, as defined by the TEACH Board by rule. Specify that funds could not be used for sectarian worship, sectarian instruction or proselytization. Specify that if a private school used TEACH grant funds for prohibited purposes, then the school would be required to reimburse TEACH for the funds used for the prohibited purpose and would be ineligible for future grants. Require private schools receiving grants to file an expenditure report with TEACH by January 15 of the calendar year following the year the grant is awarded. Require private schools receiving grants to segregate grant funds in a separate account that TEACH or the Legislative Audit Bureau may audit.

Conference Committee/Legislature: Delete provision.

24. EDUCATIONAL TECHNOLOGY TRAINING AND TECHNICAL ASSISTANCE GRANTS

Senate: Require that recipients who received grants in 2000-01 would receive the same amount in 2001-02 and in 2002-03. If the appropriation in 2001-02 and 2002-03 would be insufficient to fully fund these grants, specify that the TEACH Board would prorate the grants.

Conference Committee/Legislature: Delete provision.

25. PUBLIC MUSEUMS ELIGIBLE FOR TELECOMMUNICATIONS ACCESS PROGRAM

Senate/Legislature: Specify that museums would be eligible for the TEACH telecommunications access program.

Under this program, eligible educational agencies receive subsidized access to data lines and video links. Currently, school districts, private schools, CESAs, technical college districts, private colleges, public library systems, public library boards and the Wisconsin Center for the Blind and Visually Impaired and the Wisconsin School for the Deaf are considered educational agencies and are eligible for this program. State costs for providing access are paid from the universal service fund, which receives its revenues through pass-through assessments on intrastate telecommunications providers.

Veto by Governor [A-19]: Delete provision.

[Act 16 Vetoed Section: 1416 (as it relates to museums)]